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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER

8 37792

**FACING PAGE**

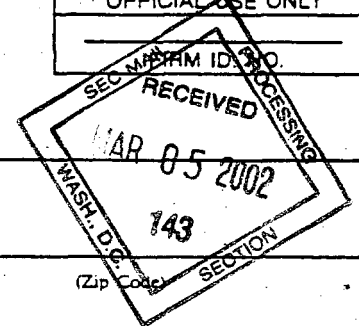
**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/01 AND ENDING 12/31/01  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Joseph Kosinsky, Inc  
400 2nd Ave.,  
New York, NY 10010  
(212) 532-8898  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY



(No. and Street)

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Joseph Kosinsky, President (212) 532-8898  
(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Chan, William, J.

(Name — if individual, state last, first, middle name)

4313 8th Avenue Brooklyn NY 11232  
(Address) (City) (State) (Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

**PROCESSED**

**MAR 22 2002**

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**THOMSON  
FINANCIAL**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

## OATH OR AFFIRMATION

I, Joseph Kosinsky, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Joseph Kosinsky, Inc. 400 Second Ave., NY, NY 10010, as of 12/31, 2001, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

N/A

Shirley Lee  
Notary Public, State of New York  
No. 43-4854935  
Qualified in Richmond County  
Commission Expires March 24, 2002

Shirley Lee 2/13/02  
Notary Public

Joseph Kosinsky  
Signature  
President  
Title

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☒ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

# FORM X-17A-5

(Financial and Operational Combined Uniform Single Report)

## PART IIA 12

3/91

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

- 1) Rule 17a-5(a) ☒ 16      2) Rule 17a-5(b) ☐ 17      3) Rule 17a-11 ☐ 18  
4) Special request by designated examining authority ☐ 19      5) Other ☐ 25

NAME OF BROKER-DEALER

Joseph Kosirsky, Inc.  
400 Second Avenue  
New York, N.Y. 10010  
(212) 532-8898

SEC FILE NO.

8-37792

FIRM ID. NO.

019806

FOR PERIOD BEGINNING (MM/DD/YY)

01/01/01

AND ENDING (MM/DD/YY)

12/31/01

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

(No. and Street)

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code)—Telephone No.

JOSEPH KOSINSKY, PRESIDENT

(212) 532-8898

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

OFFICIAL USE

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS?

YES ☐ 40

NO ☒ 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT

☒ 42

### EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 9th day of Feb 2002

Manual signatures of:

1) Joseph Kosirsky, President  
Principal Executive Officer or Managing Partner

2) \_\_\_\_\_  
Principal Financial Officer or Partner

3) \_\_\_\_\_  
Principal Operations Officer or Partner

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78f(a))

10-019806-M IIA  
JOSEPH KOSINSKY, INC.  
400 SECOND AVENUE,  
NEW YORK, NY 10010

## TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

Name (If individual, state last, first, middle name)

CHAN, William, J.

70

ADDRESS

Number and Street

City

State

Zip Code

4313 8<sup>th</sup> Avenue

Brooklyn

New York

11232

71

72

73

74

Check One

☒ Certified Public Accountant

75

☐ Public Accountant

76

☐ Accountant not resident in United States or  
any of its possessions

77

FOR SEC USE

DO NOT WRITE UNDER THIS LINE . . . FOR SEC USE ONLY

WORK LOCATION	REPORT DATE. MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER

N 3

100

STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND  
CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) 12/31/01 99  
SEC FILE NO. 8-37792 98  
Consolidated ☐ 198  
Unconsolidated ☒ 199

ASSETS

	Allowable	Non-Allowable	Total
1. Cash .....	\$ <u>7,266</u> 200		\$ <u>7,266</u> 750
2. Receivables from brokers or dealers:			
A. Clearance account .....	295		
B. Other .....	300	550	810
3. Receivables from non-customers .....	355	600	830
4. Securities and spot commodities owned, at market value:			
A. Exempted securities .....	418		
B. Debt securities .....	419		
C. Options .....	420		
D. Other securities .....	424		
E. Spot commodities .....	430		850
5. Securities and/or other investments not readily marketable:			
A. At cost \$ <u>46,100</u> 130		46,100 610	46,100 860
B. At estimated fair value .....	440		
6. Securities borrowed under subordination agree- ments and partners' individual and capital securities accounts, at market value:	450	630	880
A. Exempted securities \$ <u>150</u>			
B. Other securities \$ <u>160</u>			
7. Secured demand notes: .....	470	640	890
market value of collateral:			
A. Exempted securities \$ <u>170</u>			
B. Other securities \$ <u>180</u>			
8. Memberships in exchanges:			
A. Owned, at market \$ <u>190</u>		650	
B. Owned, at cost .....			
C. Contributed for use of the company, at market value .....		660	900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships .....	480	670	910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization .....	490	630	920
11. Other assets .....	535	735	930
12. TOTAL ASSETS .....	\$ <u>7,266</u> 540	\$ <u>48,094</u> 740	\$ <u>55,360</u> 940

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

ROKER OR DEALER

as of 12/3/01

## STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

### LIABILITIES AND OWNERSHIP EQUITY

Liabilities	A.I. Liabilities	Non-A.I. Liabilities	Total
3. Bank loans payable.....	\$ 1045	\$ 1255	\$ 1470
4. Payable to brokers or dealers:			
A. Clearance account.....	1114	1315	1560
B. Other.....	1115	1305	1540
5. Payable to non-customers.....	1155	1355	1610
6. Securities sold not yet purchased, at market value.....		1360	1620
7. Accounts payable, accrued liabilities, expenses and other.....	1205	1385	1685
8. Notes and mortgages payable:			
A. Unsecured.....	1210		1690
B. Secured.....	1211	1390	1700
9. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		1400	1710
1. from outsiders.....	\$ 970		
2. Includes equity subordination (15c3-1 (d)) of ....	\$ 980		
B. Securities borrowings, at market value:...		1410	1720
from outsiders \$.....	990		
C. Pursuant to secured demand note collateral agreements:.....		1420	1730
1. from outsiders: \$.....	1000		
2. Includes equity subordination (15c3-1 (d)) of ....	\$ 1010		
D. Exchange memberships contributed for use of company, at market value.....		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes.....	1220	1440	1750
10. TOTAL LIABILITIES.....	\$ 1230	\$ 1450	\$ 1760

### Ownership Equity

11. Sole proprietorship.....	\$ 1770
12. Partnership (limited partners.....)	\$ 1780
13. Corporation:	
A. Preferred stock.....	1791
B. Common stock.....	1792
C. Additional paid-in capital.....	1793
D. Retained earnings.....	1794
E. Total.....	1795
F. Less capital stock in treasury.....	1796
24. TOTAL OWNERSHIP EQUITY.....	\$ 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY.....	\$ 1810

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BASIC FILERS ONLY

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER

as of

12/31/01

STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING  
AND CERTAIN OTHER BROKERS OR DEALERS

N/A

LIABILITIES AND OWNERSHIP EQUITY

Liabilities	A.I. Liabilities*	Non-A.I. Liabilities*	Total
13. Bank loans payable.....	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account.....	1114	1315	1560
B. Other.....	1115	1305	1540
15. Payable to non-customers.....	1155	1355	1610
16. Securities sold not yet purchased, at market value.....		1360	1620
17. Accounts payable, accrued liabilities, expenses and other.....	1205	1385	1685
18. Notes and mortgages payable:			
A. Unsecured.....	1210		1690
B. Secured.....	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		1400	1710
1. from outsiders \$ 970			
2. Includes equity subordination (15c3-1 (d)) of .... \$ 980			
B. Securities borrowings, at market value:...		1410	1720
from outsiders \$ 990			
C. Pursuant to secured demand note collateral agreements:.....		1420	1730
1. from outsiders: \$ 1000			
2. Includes equity subordination (15c3-1 (d)) of .... \$ 1010			
D. Exchange memberships contributed for use of company, at market value.....		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes.....	1220	1440	1750
20. TOTAL LIABILITIES.....	\$ 1230	\$ 1450	\$ 1760

Ownership Equity

21. Sole proprietorship.....	\$ 1770
22. Partnership (limited partners.....)	\$ 1780
23. Corporation:	
A. Preferred stock.....	1791
B. Common stock.....	1792
C. Additional paid-in capital.....	1793
D. Retained earnings.....	1794
E. Total.....	1795
F. Less capital stock in treasury.....	1796
24. TOTAL OWNERSHIP EQUITY.....	\$ 1800
	\$ 1810

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER

For the period (MMDDYY) from 1/1/01 3932 to 12/31/01 3933  
Number of months included in this statement 12 months 3931

## STATEMENT OF INCOME (LOSS)

## REVENUE

1. Commissions:		
a. Commissions on transactions in exchange listed equity securities executed on an exchange .....	\$	3935
b. Commissions on listed option transactions .....	Y	3938
c. All other securities commissions .....		3939
d. Total securities commissions .....		3940
2. Gains or losses on firm securities trading accounts		
a. From market making in options on a national securities exchange .....		3945
b. From all other trading .....		3949
c. Total gain (loss) .....		3950
3. Gains or losses on firm securities investment accounts .....		3952
4. Profit (loss) from underwriting and selling groups .....	Y	3955
5. Revenue from sale of investment company shares .....	288	3970
6. Commodities revenue .....		3990
7. Fees for account supervision, investment advisory and administrative services .....		3975
8. Other revenue <u>Int'l income + Consulting fee</u> .....	1457	3995
9. Total revenue .....	1745	4030

## EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers .....	\$	4120
11. Other employee compensation and benefits .....	Y	4115
12. Commissions paid to other broker-dealers .....		4140
13. Interest expense .....		4075
a. Includes interest on accounts subject to subordination agreements .....	4070	
14. Regulatory fees and expenses .....	701	4195
15. Other expenses .....	15,244	4100
16. Total expenses .....	15,945	4200

## NET INCOME

17. Net income (loss) before Federal income taxes and items below (Item 9 less Item 16) .....	\$	4210
18. Provision for Federal income taxes (for parent only) .....	Y	4220
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above .....		4222
a. After Federal income taxes of .....	4238	
20. Extraordinary gains (losses) .....		4224
a. After Federal income taxes of .....	4239	
21. Cumulative effect of changes in accounting principles .....		4223
22. Net income (loss) after Federal income taxes and extraordinary items <u>(loss)</u> .....	(14,200)	4230

## MONTHLY INCOME

23. Income (current month only) before provision for Federal income taxes and extraordinary items <u>(loss)</u> .....	(3,928)	4211
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## FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

as of 12/31/01

## Exemptive Provision Under Rule 15c3-3

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check one only)

- A. (k) (1)—~~\$5,000~~ capital category as per Rule 15c3-1 ..... ☒ 4550
- B. (k) (2)(A)—“Special Account for the Exclusive Benefit of customers” maintained ..... 4560
- C. (k) (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm 4335 ..... 4570
- D. (k) (3)—Exempted by order of the Commission ..... 4580

# FINANCIAL AND OPERATION COMBINED UNIFORM SINGLE REPORT PART IIA

BOOKER OR DEALER

as of 12/31/01

## COMPUTATION OF NET CAPITAL

Total ownership equity from Statement of Financial Condition.....	\$	55,360	3480
Deduct ownership equity not allowable for Net Capital.....	19	-	3490
Total ownership equity qualified for Net Capital.....		55,360	3500
Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital.....		-	3520
B. Other (deductions) or allowable credits (List).....		-	3525
Total capital and allowable subordinated liabilities.....	\$	55,360	3530
Deductions and/or charges:			
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C) \$	17	48,094	3540
B. Secured demand note deficiency.....			3590
C. Commodity futures contracts and spot commodities- proprietary capital charges.....			3600
D. Other deductions and/or charges.....			3610
Other additions and/or allowable credits (List).....		48,094	3620
Net capital before haircuts on securities positions.....		-	3630
Haircuts on securities (computed, where applicable, pursuant to 15c3-1 (f)):	70	7,266	3640
A. Contractual securities commitments.....	\$		3660
B. Subordinated securities borrowings.....			3670
C. Trading and investment securities:			
1. Exempted securities.....	18		3735
2. Debt securities.....			3733
3. Options.....			3730
4. Other securities.....			3734
D. Undue Concentration.....			3650
E. Other (List).....			3736
Net Capital.....	\$	7,266	3750

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Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

N/A

Type of Proposed withdrawal or Accrual See below for code to enter	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (yes or no)
Y 31 4600	4601	4602	4603	4604	4605
Y 31 4610	4611	4612	4613	4614	4615
Y 31 4620	4621	4622	4623	4624	4625
Y 31 4630	4631	4632	4633	4634	4635
Y 31 4640	4641	4642	4643	4644	4645
Y 31 4650	4651	4652	4653	4654	4655
Y 31 4660	4661	4662	4663	4664	4665
Y 31 4670	4671	4672	4673	4674	4675
Y 31 4680	4681	4682	4683	4684	4685
Y 31 4690	4691	4692	4693	4694	4695
TOTAL \$			0	4699	

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Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

## WITHDRAWAL CODE: DESCRIPTION

1. Equity Capital
2. Subordinated Liabilities
3. Accruals
4. 15c3-1(c)(2)(iv) Liabilities

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER

as of 12/31/01

## COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

### Part A

11. Minimum net capital required (6-2/3% of line 19)	\$		3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	5,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$	5,000	3760
14. Excess net capital (line 10 less 13)	\$	2,266	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	7,266	3780

## COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.L. liabilities from Statement of Financial Condition	\$		3790
17. Add:			
A. Drafts for immediate credit	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	3810	
C. Other unrecorded amounts (List)	\$	3820	3830
19. Total aggregate indebtedness	\$	0	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	%	0	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%	0	3860

## COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

N/A

### Part B

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$		3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$		3880
24. Net capital requirement (greater of line 22 or 23)	\$		3760
25. Excess net capital (line 10 less 24)	\$		3910
26. Net capital in excess of:			
5% of combined aggregate debit items or \$120,000	\$		3920

OMIT PENNIES

### NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
  2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER

For the period (MMDDYY) from 01/01/01 to 12/31/01

STATEMENT OF CHANGES IN OWNERSHIP EQUITY  
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period.....	\$	59,560	4240
A. Net income (loss).....		(14,200)	4250
B. Additions (Includes non-conforming capital of APIC - JK.....)	\$	10,000	4260
C. Deductions (Includes non-conforming capital of.....)	\$		4270
2. Balance, end of period (From item 1800).....	\$	55,360	4290

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period.....	\$	0	4300
A. Increases.....			4310
B. Decreases.....			4320
4. Balance, end of period (From item 3520).....	\$	0	4330

OMIT PENNIE

Statement of Cash Flow  
For the twelve Months Ended December 31, 2001

	Current Month	Year to Date
Cash Flows from operating activities		
Net Income	\$ <14,199.61>	\$ <14,199.61>
Adjustments to reconcile net income to net cash provided by operating activities		
Accum. Depreciation - Furnitur	350.56	350.56
Total Adjustments	350.56	350.56
Net Cash provided by Operations	<13,849.05>	<13,849.05>
Cash Flows from investing activities		
Used For		
Furniture and Fixtures	<2,188.93>	<2,188.93>
Net cash used in investing	<2,188.93>	<2,188.93>
Cash Flows from financing activities		
Proceeds From		
Paid-in Capital	10,000.00	10,000.00
Used For		
Net cash used in financing	10,000.00	10,000.00
Net increase <decrease> in cash	\$ <6,037.98>	\$ <6,037.98>
Summary		
Cash Balance at End of Period	\$ 53,365.93	\$ 53,365.93
Cash Balance at Beg of Period	<57,118.34>	<57,214.98>
Net Increase <Decrease> in Cash	\$ <3,752.41>	\$ <3,849.05>

January 23, 2002

Joseph Kosinsky, Inc.  
400 Second Avenue  
New York, New York 10010

SEC # 8-37792, NASD # 19806

The firm operates pursuant to exemptive provisions of SEC Rule 15 c 3-3 (k) (1). Therefore, it is not required to calculate the following:

(h) Computation for Determination of Reserve Requirements Pursuant to Rule 15 c 3-3.

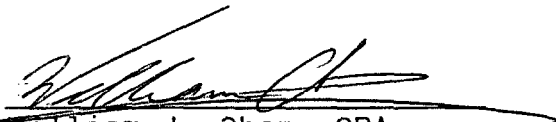
(i) Information Relating to the Possession or Control Requirements Under Rule 15 c 3-3.

(j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15 c 3-1. No differences are noted. Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15 c 3-3. Exempt.

(k) A Reconciliation between the audited and unaudited Statements of financial Condition with respect to methods of consolidation. No difference between December, 2001 unaudited and audited Net Capital.

(m) Exclusion claimed from membership in SIPC under Section 78 ccc (a)(2)(A)(ii) under SIPA of 1970 and filed on Jan 11, 2002.

(n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit. No audit difference.



William J. Chan, CPA  
4313 8th Avenue  
Brooklyn, NY 11232  
(718) 854-0858

WILLIAM J. CHAN, CPA  
4313 8<sup>TH</sup> AVENUE  
BROOKLYN, NEW YORK 11232  
(718) 854-0858

INDEPENDENT AUDITORS' REPORT

January 23, 2001

To the Shareholder and Board of Directors of  
Joseph Kosinsky, Inc.  
400 Second Avenue  
New York, New York 1010

I have audited the accompanying statement of financial condition of Joseph Kosinsky, Inc. (the "Company") as of December 31, 2001, and the related statements of operations, changes in shareholders' equity and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements enumerated above present fairly, in all material respects, the financial position of Joseph Kosinsky, Inc., as of December 31, 2001, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of computation of net capital is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



William J. Chan, CPA



WILLIAM J. CHAN, CPA  
4313 8TH AVENUE  
BROOKLYN, NY 11232  
(718) 854-0858

January 23, 2002

Joseph Kosinsky, President  
Joseph Kosinsky, Inc.  
400 Second Avenue  
New York, New York 10010

Dear Mr. Kosinsky:

In planning and performing our audit of the financial statements of Joseph Kosinsky, Inc. for the year ended December 31, 2001, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the unconsolidated financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g) (1) of the Securities and Exchange Commission, we made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by the Company that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of net capital under Rule 17a3(a) (11) and the procedures for determining compliance with the exemptive provisions of Rule 15c3-3. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13; or in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance

with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

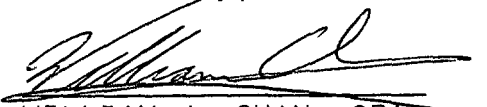
Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2001 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the New York Stock Exchange and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

Yours truly,



WILLIAM J. CHAN, CPA

TO BE FILED BY A BROKER-DEALER WHO CLAIMS EXCLUSION FROM MEMBERSHIP IN THE SECURITIES INVESTOR PROTECTION CORPORATION ("SIPC") UNDER SECTION 78ccc(a)(2)(A)(ii) OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 ("SIPA").

Name of Broker-Dealer, address, Designated Examining Authority and 1934 Act registration number:

SEC-8-037792 NASD DEC 6/22/1987

Note: If any of the information shown on the mailing label requires correction, please so indicate on the form filed.

JOSEPH KOSINSKY, INC.  
400 SECOND AVENUE  
NEW YORK, N.Y. 10010

Name and telephone number of person to contact respecting this form:

Joseph Kosinsky, President (212) 532-8898

certifies that during the year ending December 31, 2002 its business as a broker-dealer is expected to consist exclusively of one or more of the following (check appropriate boxes):

- ☒ (i) the distribution of shares of registered open and investment companies or unit investment trusts;
- ☒ (ii) the sale of variable annuities;
- ☒ (iii) the business of insurance;
- ☐ (iv) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts;

and that, therefore, under section 78ccc(a)(2)(A)(ii) of the SIPA it is excluded from membership in SIPC.

State whether during the prior year this organization's business as a broker-dealer consisted exclusively of one or more of items (i) through (iv) above: Yes ☒ No ☐ (if inapplicable, please explain).

The following bylaw was adopted by the Board of Directors:

Interest on Assessments. If all or any part of an assessment payable under Section 4 of the Act has not been received by the collection agent within 15 days after the due date thereof, the member shall pay, in addition to the amount of the assessment, interest at the rate of 20% per annum of the unpaid portion of the assessment for each day it has been overdue. If any broker or dealer has incorrectly filed a claim for exclusion from membership in the Corporation, such broker or dealer shall pay, in addition to assessments due, interest at the rate of 20% per annum on the unpaid assessment for each day it has not been paid since the date on which it should have been paid.

In the event of any subsequent change in the business of the undersigned broker-dealer that would terminate such broker-dealer's exclusion from membership in SIPC pursuant to section 78ccc(a)(2)(A)(ii) of the SIPA, the undersigned broker-dealer will immediately give SIPC written notice thereof and make payment of all assessments thereafter required under Section 78ddd(c) of the SIPA.

FOR SIPC REVIEWER

Dates: \_\_\_\_\_  
Postmarked Received Reviewed

Complete: \_\_\_\_\_

Exceptions: \_\_\_\_\_

Disposition of Exceptions: \_\_\_\_\_

The broker or dealer submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Dated the 11<sup>th</sup> day of January, 20 02

Joseph Kosinsky, Inc.  
(Name of Corporation, Partnership or other organization)

Joseph Kosinsky President  
(Authorized signature) (Title)

Shirley Lee 1/11/02  
Notary Public  
Notary Public, State of New York  
No. 43-4854933  
Qualified in Richmond County  
Commission Expires March 24, 2002

Return this completed form no later than 30 days after the beginning of the year, using the enclosed return envelope.  
Retain a copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.